

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*,

Debtors.¹

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor,

v.

JOSE R. LOPEZ MEDINA

Respondent.

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**REPLY AND RESERVATION OF RIGHTS OF THE COMMONWEALTH OF PUERTO
RICO TO RESPONSE FILED BY JOSE R. LOPEZ MEDINA [ECF NO. 21994] TO THE
FIVE HUNDRED SEVENTH OMNIBUS OBJECTION (SUBSTANTIVE) TO
UNRESPONSIVE ACR CLAIMS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (vi) Puerto Rico Public Buildings Authority ("PBA", and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the "Debtors") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth” or the “Debtor”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Debtor pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² files this reply (the “Reply”) to the *Petition in Opposition to Discharge of Claim as to Jose R. Lopez Medina with a Request for Hearing and a Motion Requesting a Lift of Stay* [ECF No. 21994] (the “Response”), filed on behalf of Jose R. Medina Lopez (the “Medina Lopez”), and, in support of the *Five Hundred Seventh Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Unresponsive ACR Claims* [ECF No. 21763] (the “Five Hundred Seventh Omnibus Objection”), the Debtor respectfully represents as follows:

1. Although docketed as a response to the Five Hundred Seventh Omnibus Objection, the Response, as detailed herein, does not address or oppose the Five Hundred Seventh Omnibus Objection. To the extent the Response is a response to the Five Hundred Seventh Omnibus Objection, the Commonwealth respectfully requests the Court to overrule it. To the extent the Response requests other relief, the Commonwealth reserves all rights to oppose it on any basis and respectfully requests the Court set a schedule for briefing consistent with the Title III case management procedures.

2. On August 5, 2022, the Commonwealth filed the Five Hundred Seventh Omnibus Objection seeking to disallow the proofs of claim listed on Exhibit A thereto because the claimants associated with the Claims to Be Disallowed³ did not respond to requests, issued by the Debtor in

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

³ Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Five Hundred Seventh Omnibus Objection.

accordance with the *Order (A) Authorizing Administrative Resolution of Claims, (B) Approving Additional Form of Notice, and (C) Granting Related Relief* [Case No. 17-BK-03283, ECF No. 12274] (the “ACR Order”), seeking to obtain information necessary to resolve the Claims to Be Disallowed. Because of such noncompliance, the Debtor could not determine the validity or amount of the Claims to Be Disallowed.

3. Any party who disputed the Five Hundred Seventh Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on September 5, 2022, in accordance with the Court-approved notice attached to the Five Hundred Seventh Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Five Hundred Seventh Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Sixteenth Amended Case Management Order* [ECF No. 20190-1]).

4. Medina Lopez’s Response to the Five Hundred Seventh Omnibus Objection was filed on August 31, 2022, appearing with the docket entry text:

Petition in Opposition to Discharge of Claim as to Jose R. Lopez Medina with a Request for Hearing and a Motion Requesting a Lift of Stay Re: 21763 Debtor's Omnibus Objection to Claims Five Hundred Seventh Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico to Unresponsive ACR Claims filed by The Financial Oversight and Management Board for Puerto Rico, as Representative of the Commonwealth of Puerto Rico, et al.

See Docket Entry No. 21194. In the Response, Medina Lopez does not oppose or address the Five Hundred Seventh Omnibus Objection. *See generally* Response. In fact, Medina Lopez is not listed as a claimant on Exhibit A to the Five Hundred Seventh Omnibus Objection. Furthermore, based on the Debtor’s review of Kroll Restructuring Administration LLC’s records, Medina Lopez never filed a proof of claim against the Commonwealth or any other Title III Debtor.

5. Because the Response does not oppose the Five Hundred Seventh Omnibus Objection, the Commonwealth respectfully requests that the Court grant the Five Hundred Seventh

Omnibus Objection, notwithstanding the Response. The Commonwealth also respectfully requests that the Court set forth a briefing schedule to the extent that Medina Lopez is seeking relief unrelated to the Five Hundred Seventh Omnibus Objection.⁴ The Commonwealth proposes that briefing and hearing in connection with the November 2, 2022 omnibus hearing will be appropriate as follows:

- responsive papers to the Response to be filed on or before October 18, 2022;
- reply papers in support of the Response to be filed on or before October 25, 2022;
- a hearing on the Response to be conducted in connection with the November 2, 2022 omnibus hearing.

6. Such schedule would permit the Commonwealth to gather information in connection with the Response and to discuss the relief requested with Medina Lopez.

7. The Commonwealth expressly reserves all further substantive or procedural objections. Nothing contained herein is intended or should be construed as: (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the rights of the Debtor or any other party in interest in the Title III Case to dispute the Response on any grounds; or (c) a waiver of the rights of the Debtor or any other party in interest in the Title III Case under PROMESA, the Bankruptcy Code or any other applicable law.

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⁴ Medina Lopez's Response appears to seek relief from the automatic stay of an unidentified federal district court action purportedly brought against the Commonwealth on the basis of alleged wrongful termination and discrimination. *See* Response at 4, 6. In addition, among other things, the Response appears to request a determination from the Court that Medina Lopez's asserted claim, notwithstanding the lack of a corresponding proof of claim, is nondischargeable. *Id.* at 3-4.

WHEREFORE the Debtor respectfully requests entry of an order overruling the Response and granting the relief requested in the Five Hundred Seventh Omnibus Objection, and such other and further relief as is just.

Dated: September 14, 2022
San Juan, Puerto Rico

Respectfully submitted,

/s/ Herman D. Bauer

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